O | yarn | 53

1953 **File No.** 13 | 53

Legal Dept.

G **BRANCH**

Subject:— PHE Opinion on the yarn matters

O | yarn | 53

File No. 13 | 53

Gen. 194 e

C O N T E N T S.

Legal Department File No. O. Yarn/53 (G.Br.)

P.No.	R.I./O.No.	Subject	Pages.
		Opinions on the Yarn Matters.	
1)	O.No.G-11/6-1-53.	Re: H.L.A's opinion No.G-554. dt. 23-10-52. 1) What further action should be taken against Shri Laxmi Mills Ltd. to take possession of 73 bales and some yarn or to recover the cost of the same with interest. 2) Whether the information required by the mortgagee may be supplied to them.	1-6
2)	O.No.G-754/1-12-53.	Question regarding refund of deposit paid in respect of supply of yarn.	7-10

office. Office of the R.L.A.

The State Textile Controller's has forwarded these papers t this office for R.L.A's opinion on the fellewing points :-

(1) what further action should be taken against Shri Laxmi Textile mills Limited to take possession of 73 bales and 30,800 lbs. of yarn or to recover the cost of the same with interest.

(2) whether the information required by the mortgagee, Messrs Harishchandra Dineshchandra and Company may be supplied to them.

Under clause 18 of the agreement dated the 24th September xxx 1951 entered into, between Shri Laxmi Textile Mills Limited, and the mortgagees, Messrs. Harishchandra Dineshchandra and Company (financiers) the latter have a general lien and charge upon all ready cotton and cotton and yarn in process and the manufactured cotton yarn in possession of the Mills and lying in the mills premises and lying with them (financers) in their godown to secure all moneys owing to the mills by them. The mortgagees are to remain in possession of all the cotton and yarn over which they have a lien and charge under the said agreement. Out of 73 bales and 30800 lbs. of yarn, 1000 lbs. of yarn were sold to Government by the mills on the 18th August 1951 that is before the yarn and cotton was mortgaged under the agreement on the 24th September 1951. Therefore Government is entitled to get delivery of that yarn. As regards the remaining quantity of yarn the mills were not in possession of the same when they sold it to Government. Therefore Government would not be entitled to ask the mortgagee now to give delivery of that yarn. A suit can, however, lie against the mills for recovery of the price of the yarn paid to them by Government along with interest.

There is no objection to giving the particulars about the yarn sold by the mills to Government which have been asked for, the mortgagee.

Ig/- (P.H.L.) 6/1
Remembrancer of Legal Affairs.

R.D.P.
31/7/56.

S.C.

U.R. to S.T.C. No. G - 11, dated the 6th January 1953.

Office of the R.L.A.

The S.T.C. has stated that the refunds can be refused on the following grounds

(i) Since the deposits stand in the names of Shri Meharwada and Mannure, Shri Badigannavar and Habib have no ground for claiming the refund;

(ii) Since Shri Meharwada and Mannur have admitted that they have not paidx these deposits, the deposits cannot be refunded to them.

2. In these circumstances R.L.A. is requested to advise -

(i) Whether the refunds should be allowed and if so;

(ii) to whom they should be paid.

3. (i) These deposits were nothing but advance payment at the approximate rate of the 10% of stock indented as per S.T.C's Circular Letter, dated the 3rd March 1950, at page 31 ante, and these are liable to be forfeited only on failure to lift the quantity indented. In the present case, the advances will have to be refunded as it is not contended against the indenters that they failed to lift the stock.

(ii) From the letter of the D.M., Dharwar, at page 118, it appears that Shri Badigannavar and Shri Habib credited the advance amounts of Rs.4000/-, each on behalf of Shri Meharwada and Shri Mannur respectively. As the indents appeared unusually large, the D.M. caused inquiries to be made and it transferred that Shri Badigannavar and Shri Habib had sent the indents in the names of these weavers without their consent. A prosecution for cheating was launched against Shri Badigannavar and Habib but it has resulted in an acquittal. Shri Meharwada and Mannure have written to the Collector of Dharwar (pp.131-133) that the amount were credited by Shri Badigannavar and Shri Habib in their names and that they have no objection if the amounts are refunded to them. In these circumstances

the amounts may be refunded to Shri Sadigannavar and Habib.

Sd/- (P.M.L.) 30/11

Remembrancer of Legal Affairs.

U.R. to S.T.C. No. G - 734, dated 1st December 1953.

R.B.P.
31/7/46

S.C.

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